account the nature of operational and financial problems being faced by these TCOs it has recommended closure of BITCO, JKITCO and ORITCO.

On assessment of NEITCO'S past performance, business profile, future prospects, business plan, views of stakeholders, industrial and developmental scenario of the States, policies of Central and State Governments for rapid development of the States in the North-Eastern region, the consultants have opined that it may be possible for NEITCO to continue its operations on a self sufficients basis if the existing creditors and employees agree to settle for only about 20% of their dues to be payable over next five years. Two other alternatives viz. NEITCO being taken over by one of the State Governments or conversion of NEITCO into a branch of another TCO say WEBCON, have also not been found to be feasible in the light of discussions held with some of the State level institutions and WEBCON. Thus, in case the employees and creditors are not agreeable to the settlement of their dues, the consultants have indicated that closure of NEITCO might be the only option left.

Liquidity crisis in IFC

644. DR. MANMOHAN SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Industrial Finance Corporation of India is facing a severe liquidity crisis; and

(b) if so, what measures have been adopted by Government/RBI/ IDBI to deal with this crisis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Industrial Finance Corporation of India has reported that it is facing liquidity problems owing to the assess-liability mismatch. In the measures adopted till yet Government of India have infused Rs 400 crores in IFCI on 30th October, 2001 by way of investment in 20 years 9.75% Convertible Debentures in order to augment the capital of IFCI. IDBI. had agreed to infuse Rs. 200 crore through non-convertible preference shares subject to certain conditions. RBI on its part at the request of IFCI accorded following treatment:

(i) Contribution of Government of India of Rs 400 crore may be treated as Tier I capital.

(ii) IDBI's contribution of Rs. 200 crore may be treated as Hybrid Debt Capital under Tier II Capital.

New guidelines for registration of companies

645. SHRI ABANI ROY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to issue new guidelines for registration of companies;

(b) if so, the details thereof;

(c) whether a large number of companies in the country have duped investors to the tune of crores of rupees; and

(d) if so, the extent to which the new guidelines are going to protect the interest of investors?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No such proposal is under consideration at present.

(b) Does not arise.

(c) and (d) Some companies which came up with public issues since 1991-92 have disappeared from market resulting in loss to investors. Arising out of complaints against these companies, inspections were carried out. Steps have been taken to prosecute companies and/or their directors. The prosecutions were for inducing the public to invest with false promises and for making mis-statements in offer documents. These cases are non-compoundable and involve fine and imprisonment.

Redemption Pressure in UTI

646. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether UTI has borrowed a huge amount from financial institutions and banks to meet its payment obligation recently;

(b) if so, the details of the borrowings and the name of lending institutions;

(c) Whether UTI is facing acute redemption pressure these days; and